

Catalogue no. 81-599-X — Issue no. 004

ISSN: 1709-8653

ISBN: 978-1-100-14311-8

Fact Sheet

Education Indicators in Canada

School-age Population Living in Low-income Circumstances

December 2009

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School-age Population Living in Low-income Circumstances

Family income can influence various developmental outcomes, academic results, and life transitions.¹ For example, living in low-income circumstances may impede the school readiness of preschool children, reduce the likelihood of success in educational achievement throughout the educational trajectory, reduce the ability to afford postsecondary education, and increase the likelihood of living in low-income circumstances as an adult. Information on the school-age population living in low-income circumstances provides the basis for appropriate policies and programs that target children who are most in need.

This fact sheet provides information about the proportion of the school-age population—defined in this fact sheet as children and youth aged 5 to 24²—living in low-income circumstances, including the duration of low-income periods, using data from Statistics Canada's Survey of Labour and Income Dynamics (SLID).³ The percentage of children in low-income circumstances is calculated based on Statistics Canada's low-income cutoffs (LICOs), using data on family income after government benefits are received and after federal and provincial/territorial taxes are paid.

Who is at risk for low income?

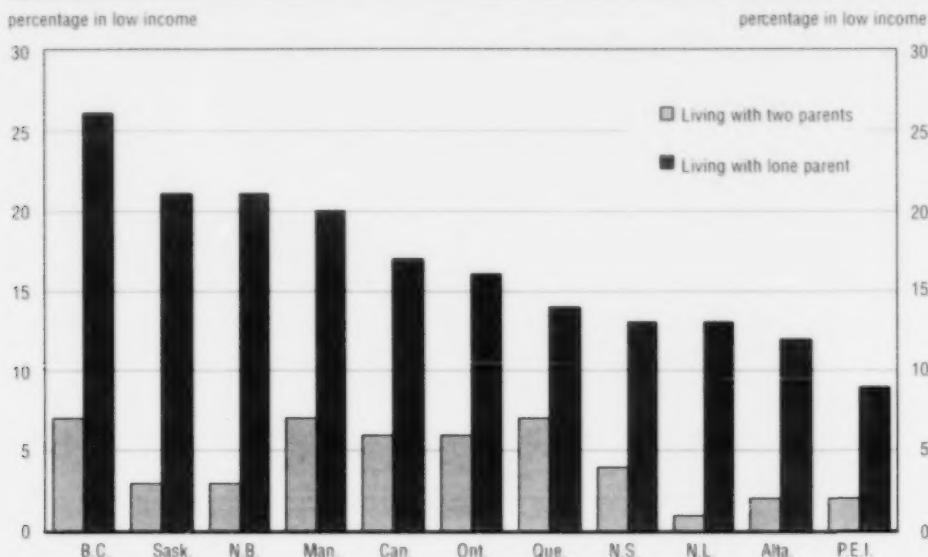
In 2007, the most recent data year available, 11% of the population aged 5 to 24 in Canada lived in low-income circumstances, compared to 15% in 2003. Historically, children living in single-parent families (also referred to as lone-parent families) have been more likely to live in low-income situations. Although the proportion of children from single-parent families who live in low-income situations has decreased substantially since 2003, in 2007, these children were still almost three times as likely (17%) to live in low-income circumstances as children living in two-parent families (6%) (Table A.3.1 and Chart 1).

Furthermore, longitudinal data from SLID indicate that low income is a more persistent circumstance for children from lone-parent families. More than one quarter (27%) of children from lone-parent families lived in low-income situations for more than one year, whereas only 11% of children from two-parent families did so (Table A.3.2).

1. See, for example, Phipps (2003), Phipps and Lethbridge (2006), Brownell et al. (2004), and Dooley et al. (2009).
2. This is consistent with the school-age focus used by the Pan-Canadian Education Indicators Program in its study of demographic factors. This population differs from the child population usually used in low-income studies, i.e., under 18 years old.
3. The low-income data from SLID exclude residents of Yukon, Northwest Territories, and Nunavut, as well as residents of institutions and persons living on Indian reserves, as these populations are not included in the survey.

Chart 1

Percentage of the school-age population (ages 5 to 24) in low income, by type of living arrangement, Canada and provinces, 2007



Note: Provinces are ranked according to the percentage of their school-age population living with a lone parent in low income.

Source: Statistics Canada and the Council of Ministers of Education, Canada. December 2009. *Education Indicators in Canada: Report of the Pan-Canadian Education Indicators Program*. Catalogue no. 81-582-X. Ottawa. Table A.3.1.

Factors that can affect the likelihood of living in low-income circumstances are varied and complex, and include the following: the number of income earners in the family; their skills and years of work experience; the characteristics of their employment (e.g., full- or part-time employment, level of remuneration, job stability); regional economic conditions; and federal and provincial/territorial government income and other support programs.⁴ Data from the latest census, in 2006, indicate that 94% of children from two-parent families had at least one parent working full time,⁵ compared to 67% of children in single-parent families (Table A.4.2).

The incidence of low income is highest among those who do not live with their parents, with a third (33%) of these individuals facing a low-income situation in 2007, according to the low-income cut-off criteria (Table A.3.1).⁶ However, the interpretation of income data for this group is complex. Those living without their parents are more likely to be young adults. The latest census indicates that while 1% and 7%, respectively, of children aged 5 to 14 and 15 to 19 do not live with any parent, this percentage is 41% for 20 to 24 year-olds (Table A.4.1). Young adults can have a variety of living

4. See, for example, Fleury (2008), who examined family characteristics associated with low income in Canada, and the effect of income tax and government transfers on the rate of low income.

5. Two-parent families where both parents work on a part-time basis to an extent that is equivalent to one parent working full time are not included in this figure.

6. The category "not living with any parent" includes those who do not live with any parent in what they consider to be their usual place of residence.

arrangements, and these can change over time, thereby affecting income even over a short period of time. Young adults not living with their parents may face a higher incidence of low income, in some cases on a temporary basis, as they are participating in the labour market with little experience and/or may be going to school either full time or part time.⁷ A better understanding of these factors, and of others, including how young adults have fared in the economic conditions of the first decade of the 2000s, would also help to interpret the low-income situation of young adults.

Change in low-income rates

Over the last two decades, there has been greater fluctuation in the incidence of low income among children in single-parent families than among children from two-parent families. Between 1990 and 1995, a time of recession and slow economic recovery, the proportions of children in low income rose for both family types, but then decreased with the labour-market recovery and increased government spending in the late 1990s. In both time periods, the change in the incidence of low income was more pronounced for children in single-parent families. Since 2003, the largest decline in low-income rates has occurred for children in single-parent families. In 2007, the rate for this group was 10 percentage points lower than the 27% observed in 2003. Furthermore, the incidence of low income among children from lone-parent families in 2007 (17%) was almost half of what it was in 1990 (32%), the end of a period of growth and the start of an economic slowdown. In contrast, the percentage of children from two-parent families living in low income has remained fairly stable since 2003 (Table A.3.1).

Provinces

Low-income rates among children from families with two parents varied from 1% to 7% across the provinces in 2007, and were half or less than half of the Canada average (i.e., no more than 3%) in Newfoundland and Labrador, Prince Edward Island, New Brunswick, Saskatchewan, and Alberta. However, differences in low-income rates among children from lone-parent families in these provinces were greater.

In all provinces, children from lone-parent families faced a higher likelihood of low income than children from two-parent families. The rates of low income among children with one parent varied from 9% in Prince Edward Island to 26% in British Columbia. In addition to Prince Edward Island, the incidence of low income among children living with one parent in 2007 was lower than the Canada average in Newfoundland and Labrador (13%), Nova Scotia (13%), Quebec (14%), and Alberta (12%) (Table A.3.1 and Chart 1). Compared to 2003, the proportion of children from lone-parent families who faced low income was lower in almost every province, with the pattern of decrease since 2003 differing across the provinces. The rates of low income among children with a single parent have fallen the most in Newfoundland and Labrador (an 18-percentage-point drop between 2003 and 2007) (Table A.3.1).

7. See Feng et al. (2007) as an example of research that looks at the dynamics of low income among unattached individuals, including those aged 18 to 24.

For more detailed information, the specific data referred to in this fact sheet, and other tables of data related to education in Canada, please see *Education Indicators in Canada: Report of the Pan-Canadian Education Indicators Program*. Tables referenced above include Tables A.3.1 and A.3.2 (December 2009); Table A.4.1 (2007 issue, tables updated on June 16, 2008); and Table A.4.2 (2007 issue, tables updated on December 16, 2008). To obtain more information about the data sources—SLID and the census—and definitions used in this fact sheet, as well as the methodology used to produce the data, please refer to the publication *Education Indicators in Canada: Handbook for the Report of the Pan-Canadian Education Indicators Program 2007* (<http://www.statcan.gc.ca/bsolc/olc-cel/olc-cel?catno=81-582-g&lang=eng>).

The Pan-Canadian Education Indicators Program (PCEIP) is an ongoing initiative of the Canadian Education Statistics Council, a partnership between Statistics Canada and the Council of Ministers of Education, Canada (CMEC), to provide a set of statistical measures on education systems in Canada.

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Acknowledgements

We would like to acknowledge the work of the PCEIP team at Statistics Canada and at the CMEC Secretariat, as well as the assistance of the provincial/territorial members of the Strategic Management Committee of the Canadian Education Statistics Council, in reviewing the material. Thank you also to the Income Statistics Division and the Centre for Education Statistics at Statistics Canada for providing the data.

